

TITLE 16. CONTRACTORS STATE LICENSE BOARD

NOTICE OF PROPOSED CHANGES IN THE REGULATIONS

NOTICE IS HEREBY GIVEN that the Contractors State License Board (Board) is proposing to take the action described in the Informative Digest. Any person interested may present statements or arguments orally or in writing relevant to the action proposed at a hearing to be held at the Contractors State License Board, 9821 Business Park Drive, Sacramento, California 95827, at 10:00 a.m. on May 2, 2006. Written comments must be received by the Board at its office at the above address not later than May 1, 2006 at 5:00 p.m. or at the hearing. The Board, upon its own motion or at the instance of any interested party, may thereafter adopt the proposal substantially as described below or may modify such proposal if such modification is sufficiently related to the original text. With the exception of technical or grammatical changes, the full text of any modified proposal will be available for 15 days prior to its adoption from the person designated in the Notice as the contact person and will be mailed to those persons who submit written or oral testimony related to this proposal or who have requested notification of any changes to the proposal.

Authority and Reference Citations

Pursuant to the authority vested by Sections 7008 and 7099.2 of the Business and Professions (B&P) Code, and to implement, interpret, or make specific Sections 7099 and 7099.1 of said Code, the Contractors State License Board is considering changes to Division 8 of Title 16 of the California Code of Regulations (CCR) as follows:

Informative Digest/Plain English Policy Statement Overview

Amend Section 884 – Recommended Assessment of Civil Penalties.

Section 7008 authorizes the Board to adopt rules and regulations, in accordance with the Administrative Procedures Act, that are reasonably necessary to carry out the provisions of the chapter of the B&P Code. Section 7099.2 directs the Board to adopt regulations covering the assessment of civil penalties, with a maximum penalty of \$5,000 for most violations (recently increased from \$2,000), unless otherwise provided by the chapter (e.g., \$15,000 maximum for specified violations). Section 7099 authorizes the Board to issue citations to licensees or applicants. Section 7099.1 directs the Board to adopt regulations covering the formulation of an order of correction, which gives due consideration to the time required to correct and the practical feasibility of correction.

The existing regulation sets forth a range of recommended minimum and maximum civil penalties the Board can assess for violations of the Contractors License Law, at amounts not to exceed \$2,000, except as otherwise provided by the chapter.

This proposal would amend the regulation in order to:

- Designate the unnumbered introductory paragraph and the table of civil penalties as subsection (a);
- Revise the civil penalty amounts contained in the new subsection (a), based on the new \$5,000 statutory limit;

- Renumber existing subsection (a) to (b);
- Revise and designate subsection numbering for the remaining paragraphs as appropriate; and
- Add criteria that the Registrar will take into consideration when determining the amount of assessed civil penalties.

Local Mandate

The proposed regulatory action does not impose a mandate on local agencies or school districts.

Fiscal Impact on Public Agencies/STD 399

The proposed regulatory action will result in costs and/or savings to the Board. However, the proposed regulatory action will not result in costs or savings to any local agency or school district that is required to be reimbursed under Part 7 of Division 4 (commencing with Section 17500 of the Government Code), other nondiscretionary costs or savings on local agencies, or costs or savings in federal funding to the state.

Cost Impact on Affected Private Persons

The proposed regulatory action impacts licensed contractors and others in violation of specified statutes and imposes civil penalties for citations issued as a result of violations. The cost impact that a representative private person or business may incur in reasonable compliance with the proposed action varies greatly depending on the statute that was violated and the associated civil penalty amount, as well as other relevant criteria that are taken into consideration such as multiple violations, a history of violations, a serious or harmful violation, etc. Under the proposed civil penalties, the cost impact on affected private persons could range from \$100 to \$15,000 per citation.

Housing Costs

The proposed regulatory action will not have a significant effect on housing costs.

Effect on Small Business

The proposed regulatory action may affect small businesses if they are in violation of specified statutes and are assessed a civil penalty for a citation issued as a result of the violation. CSLB does not maintain statistics on the number of small businesses licensed as contractors in the State of California. However, based on national statistics, approximately 98.2 percent of businesses are small businesses. The effect on small businesses would be the same as the effect on private persons as described above.

Contact Person

Inquiries or comments concerning the proposed administrative action may be addressed to:

Contractors State License Board
9821 Business Park Drive
Sacramento, CA 95827
Attn: Peter Sugar
(916) 255-0614
(916) 255-1395 (FAX)
psugar@dca.cslb.ca.gov

The backup contact person is:

Betsy Figueira
(916) 255-2798
(916) 25-1395 (FAX)
bfigueira@dca.cslb.ca.gov

Inquiries concerning the substance of the proposed regulations may be directed to Peter Sugar at (916) 255-0614.

Comment Period

Written comments must be received by the Board at the Contractors State License Board, 9821 Business Park Drive, Sacramento, CA 95827 not later than May 1, 2006 at 5:00 p.m. or at the hearing to be held in the Board office at 10:00 a.m. on May 2, 2006.

Availability of Modifications

With the exception of technical or grammatical changes, the full text of any modified proposal will be available from the person designated in this notice as contact person for 15 days prior to its adoption and will be mailed to those persons who submit written or oral testimony related to this proposed regulatory action or who have requested notification of any changes to the proposal.

Reference to Text and Initial Statement of Reasons

The Board has prepared a statement of the reasons for the proposed action, which is available to the public upon request. The express terms of the proposed action and all information upon which the proposal is based are available upon request.

Business Impact

The proposed regulatory action will not have a significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states, because it affects only individual licensed contractors and others who are in violation of specified statutes and who are assessed a civil penalty for a citation issued as a result of the violation.

Impact on Jobs/New Businesses

The proposed regulatory action will not affect the creation or elimination of jobs within the State of California, the creation of new businesses or the elimination of existing businesses within the State of California, or the expansion of businesses currently doing business within the State of California, because it affects only individual licensed contractors and others who are in violation of specified statutes and who are assessed a civil penalty for a citation issued as a result of the violation.

Public Hearing

A public hearing will be held at the Contractors State License Board, 9821 Business Park Drive, Sacramento, California 95827, at 10:00 a.m. on May 2, 2006.

Federal Mandate

The proposed regulatory action is not mandated by federal law or is not identical to any previously adopted or amended federal regulation.

Consideration of Alternatives

The Board must determine that no reasonable alternative which it considered or that has otherwise been identified and brought to its attention would be either more effective in carrying out the purpose for which the action is proposed or would be as effective as and less burdensome on affected private persons than the proposed regulatory action. The actual determination must be part of both the Initial and Final Statement of Reasons.

Availability of the Final Statement of Reasons

Interested parties may obtain a copy of the Final Statement of Reasons once it has been prepared by making a written request to the contact person named above.

Website Access

Materials regarding the proposed regulatory action can be found at www.cslb.ca.gov.